



CLAIRE C. McCASKILL
Missouri State Auditor

To the County Commission
and
Officeholders of Laclede County, Missouri

The State Auditor's Office through the State Office of Administration, Division of Purchasing, contracted the audit services of Laclede County, Missouri, for the two years ended December 31, 2002. A copy of this audit which was performed by Davis, Lynn & Moots, P.C., Certified Public Accountants, is attached.

Claire C. McCaskill
State Auditor

Report No. 2003-64
July 7, 2003

LACLEDE COUNTY, MISSOURI

FINANCIAL STATEMENTS

Years Ended December 31, 2002 and 2001

LACLEDE COUNTY, MISSOURI

TABLE OF CONTENTS

| | <u>Page</u> |
|--|---|
| <hr/> FINANCIAL SECTION <hr/> | |
| Independent Auditors' Reports | 5 - 9 |
| Financial Statements and Supplementary Schedule of Expenditures of Federal Awards | 6 - 7 |
| Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With <i>Governmental Auditing Standards</i> | 8 - 9 |
| Financial Statements | 10 - 23 |
| <u>Exhibit</u> | <u>Description</u> |
| A-1 | Statement of Receipts, Disbursements, and Changes in Cash - Various Funds Year Ended December 31, 2002 |
| A-2 | Year Ended December 31, 2001 |
| B | Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds, Years Ended December 31, 2002 and 2001 |
| Notes to the Financial Statements | 11 12 13 - 23 |
| Supplementary Schedule | 24 - 31 |
| Schedule of Expenditures of Federal Awards, Years Ended December 31, 2002 and 2001 | 32 - 34 |
| Notes to the Supplementary Schedule | 33 - 34 |
| <hr/> FEDERAL AWARDS - SINGLE AUDIT SECTION <hr/> | |
| Independent Auditors' Report | 36 |
| Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 | 38 - 40 |

LACLEDE COUNTY, MISSOURI

TABLE OF CONTENTS

| | <u>Page</u> |
|---|-------------|
| <hr/> | |
| FEDERAL AWARDS - SINGLE AUDIT SECTION | |
| Schedule..... | 41 - 43 |
| Schedule of Findings and Questioned Costs (Including Management's Plan for Corrective Action), Years Ended December 31, 2002 and 2001 | 42 - 43 |
| Section I - Summary of Auditor's Results | 42 |
| Section II - Financial Statement Findings..... | 43 |
| Section III - Federal Award Findings and Questioned Costs | 43 |
| Follow-Up on Prior Audit Findings for an Audit of Federal Statements Performed in Accordance with <i>Governmental Auditing Standards</i> | 44 - 45 |
| Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133 | 46 - 47 |

FINANCIAL SECTION

Independent Auditors' Reports

**INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Laclede County, Missouri

We have audited the accompanying special-purpose financial statements of various funds of Laclede County, Missouri, as of and for the years ended December 31, 2002 and 2001, as identified in the table of contents. These special-purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these special-purpose financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The accompanying special-purpose financial statements were prepared for the purpose of presenting the receipts, disbursements, and changes in cash of various funds of Laclede County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the County and are not intended to be a complete presentation of the financial position and results of operations of those funds or of Laclede County.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Laclede County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the County as of and for the years ended December 31, 2002 and 2001, in conformity with the comprehensive basis of accounting discussed in Note 1, which is a basis of accounting other than accounting principles generally accepted in the United States of America.

Laclede County Commission
Laclede County, Missouri

In accordance with *Government Auditing Standards*, we have also issued a report dated March 12, 2003, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the special-purpose financial statements taken as a whole.

Original Signed by Auditor

Davis, Lynn & Moots, P.C.
March 12, 2003

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the County Commission
and
Officeholders of Laclede County, Missouri

We have audited the special-purpose financial statements of various funds of Laclede County, Missouri, as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon, dated March 12, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the special-purpose financial statements of various funds of Laclede County, Missouri are free of material misstatement, we performed tests of the County's compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of Laclede County, Missouri in a separate letter dated March 12, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit of the special-purpose financial statements of various funds of Laclede County, Missouri, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses.

Laclede County Commission
Laclede County, Missouri

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the special-purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County Commission, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original Signed by Auditor

DAVIS, LYNN & MOOTS, P.C.
March 12, 2003

Financial Statements

Exhibit A-1

LACLEDE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
Year Ended December 31, 2002

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|--------------------------------------|--------------------|--------------|---------------|----------------------|
| General Revenue | \$ 836,298 | \$ 3,416,944 | \$ 3,405,809 | \$ 847,433 |
| Special Road and Bridge | 14,240 | 1,278,700 | 1,240,179 | 52,761 |
| Assessment | 19,002 | 253,950 | 240,443 | 32,509 |
| Law Enforcement Training | 42,504 | 7,536 | 26,015 | 24,025 |
| Prosecuting Attorney Training | 3,121 | 1,576 | 3,498 | 1,199 |
| Prosecuting Attorney Bad Check | 101,354 | 76,217 | 77,633 | 99,938 |
| Enhanced 911 | 137,643 | 379,914 | 310,117 | 207,440 |
| Law Enforcement Sales Tax | 911,471 | 1,659,909 | 1,513,523 | 1,057,857 |
| Recorder's User Fee | 47,093 | 19,180 | 17,730 | 48,543 |
| Prosecuting Attorney Delinquent Tax | 22,037 | 4,435 | 1,339 | 25,133 |
| Prosecuting Attorney Law Enforcement | 921 | 5 | - | 926 |
| Peace Officers Standard Training | 12,207 | 3,324 | 6,261 | 9,270 |
| Shelter Abuse | 6,615 | 16,159 | 18,013 | 4,761 |
| Capital Improvement | 385,306 | 47,503 | 15,344 | 417,465 |
| Health Insurance | 14,459 | 354,879 | 350,099 | 19,239 |
| Election Services | 5,528 | 5,583 | 1,020 | 10,091 |
| Health Center | 116,986 | 805,193 | 789,994 | 132,185 |
| Developmentally Disabled Board | 5,591 | 395,018 | 379,401 | 21,208 |
| Circuit Clerk Interest | 4,537 | 1,672 | 5,511 | 698 |
| Law Library | 74,643 | 18,181 | 7,364 | 85,460 |
| Sheriff Discretionary | 25,616 | 57,147 | 57,462 | 25,301 |
| Family Access | 111 | 1 | - | 112 |
| Juvenile Assessment | 2,825 | 715 | 792 | 2,748 |
| TOTAL | \$ 2,790,108 | \$ 8,803,741 | \$ 8,467,547 | \$ 3,126,302 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

LACLEDE COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
Year Ended December 31, 2001

| Fund | Cash, January 1 | Receipts | Disbursements | Cash, December 31 |
|--------------------------------------|--------------------|--------------|---------------|----------------------|
| General Revenue | \$ 966,231 | \$ 3,227,054 | \$ 3,356,987 | \$ 836,298 |
| Special Road and Bridge | 129,431 | 1,677,766 | 1,792,957 | 14,240 |
| Assessment | 19,594 | 244,056 | 244,648 | 19,002 |
| Law Enforcement Training | 52,367 | 9,845 | 19,708 | 42,504 |
| Prosecuting Attorney Training | 5,071 | 2,045 | 3,995 | 3,121 |
| Prosecuting Attorney Bad Check | 103,103 | 72,112 | 73,861 | 101,354 |
| Enhanced 911 | 101,100 | 335,374 | 298,831 | 137,643 |
| Law Enforcement Sales Tax | 794,031 | 1,663,628 | 1,546,188 | 911,471 |
| Recorder's User Fee | 53,431 | 18,136 | 24,474 | 47,093 |
| Prosecuting Attorney Delinquent Tax | 27,887 | 2,710 | 8,560 | 22,037 |
| Prosecuting Attorney Law Enforcement | 893 | 28 | - | 921 |
| Map Reserve | 4,328 | 2,161 | 6,489 | - |
| Peace Officers Standard Training | 17,745 | 4,897 | 10,435 | 12,207 |
| Shelter Abuse | 7,168 | 24,248 | 24,801 | 6,615 |
| Capital Improvement | 256,750 | 128,556 | - | 385,306 |
| Health Insurance | 63,662 | 322,358 | 371,561 | 14,459 |
| Election Services | 2,719 | 4,036 | 1,227 | 5,528 |
| Health Center | 115,537 | 1,013,314 | 1,011,865 | 116,986 |
| Developmentally Disabled Board | 17,499 | 382,913 | 394,821 | 5,591 |
| Circuit Clerk Interest | 6,653 | 7,734 | 9,850 | 4,537 |
| Law Library | 61,098 | 18,413 | 4,868 | 74,643 |
| Sheriff Discretionary | 26,790 | 43,817 | 44,991 | 25,616 |
| Family Access | 108 | 3 | - | 111 |
| Juvenile Assessment | 1,645 | 1,180 | - | 2,825 |
| TOTAL | \$ 2,834,841 | \$ 9,206,384 | \$ 9,251,117 | \$ 2,790,108 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

LACLEDE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS

| | Year Ended December 31, | | | | | |
|-------------------------------------|-------------------------|--------------|--|--------------|--------------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| TOTALS - VARIOUS FUNDS | | | | | | |
| RECEIPTS | \$ 8,354,069 | \$ 8,803,741 | \$ 449,672 | \$ 8,758,430 | \$ 9,206,384 | \$ 447,954 |
| DISBURSEMENTS | 9,664,423 | 8,467,547 | 1,196,876 | 9,751,298 | 9,251,117 | 500,181 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (1,310,354) | 336,194 | 1,646,548 | (992,868) | (44,733) | 948,135 |
| CASH, January 1 | 2,790,108 | 2,790,108 | - | 2,834,841 | 2,834,841 | - |
| CASH, December 31 | \$ 1,479,754 | \$ 3,126,302 | \$ 1,646,548 | \$ 1,841,973 | \$ 2,790,108 | \$ 948,135 |
| GENERAL REVENUE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | \$ 267,200 | \$ 302,309 | \$ 35,109 | \$ 176,000 | \$ 208,336 | \$ 32,336 |
| Sales taxes | 1,632,000 | 1,651,403 | 19,403 | 1,600,000 | 1,634,074 | 34,074 |
| Intergovernmental | 476,207 | 503,685 | 27,478 | 522,754 | 490,227 | (32,527) |
| Charges for services | 670,750 | 824,742 | 153,992 | 673,767 | 764,195 | 90,428 |
| Interest | 149 | 12,221 | 12,072 | 50,000 | 44,103 | (5,897) |
| Other | 12,525 | 68,787 | 56,262 | 31,492 | 31,492 | - |
| Transfers in | 89,841 | 53,797 | (36,044) | 923 | 54,627 | 53,704 |
| TOTAL RECEIPTS | 3,148,672 | 3,416,944 | 268,272 | 3,054,936 | 3,227,054 | 172,118 |
| DISBURSEMENTS | | | | | | |
| County Commission | 109,272 | 105,579 | 3,693 | 109,124 | 108,134 | 990 |
| County Clerk | 104,460 | 103,529 | 931 | 127,610 | 118,975 | 8,635 |
| Elections | 82,500 | 58,991 | 23,509 | 23,000 | 17,959 | 5,041 |
| Buildings and grounds | 484,421 | 438,968 | 45,453 | 539,167 | 459,350 | 79,817 |
| Employee fringe benefits | 319,200 | 125,167 | 194,033 | 133,600 | 119,169 | 14,431 |
| County Treasurer | 43,220 | 42,668 | 552 | 43,520 | 43,468 | 52 |
| County Collector | 93,266 | 93,563 | (297) | 97,966 | 97,123 | 843 |
| Ex Officio Recorder of Deeds | 58,254 | 58,678 | (424) | 55,186 | 55,209 | (23) |
| Circuit Clerk | 46,072 | 42,260 | 3,812 | 40,414 | 40,197 | 217 |
| Associate Circuit Court | 14,500 | 10,716 | 3,784 | 14,850 | 12,763 | 2,087 |
| Court administration | 31,396 | 35,171 | (3,775) | 45,276 | 27,638 | 17,638 |
| Public Administrator | 69,700 | 70,026 | (326) | 74,550 | 70,791 | 3,759 |
| Sheriff | 397,554 | 397,971 | (417) | 384,800 | 396,338 | (11,538) |
| Jail | 552,000 | 593,863 | (41,863) | 541,500 | 541,500 | - |
| Prosecuting Attorney | 200,758 | 200,477 | 281 | 207,255 | 199,079 | 8,176 |
| Juvenile Officer | 108,448 | 23,320 | 85,128 | 50,000 | 30,447 | 19,553 |
| County Coroner | 23,300 | 17,634 | 5,666 | 24,350 | 18,425 | 5,925 |
| Insurance and bonds | 50,000 | 43,003 | 6,997 | 55,000 | 48,616 | 6,384 |
| Mail Clerk | 9,000 | 7,432 | 1,568 | 15,000 | 15,000 | - |
| Postage | 43,300 | 43,300 | - | 38,830 | 38,745 | 85 |
| University extension | 37,230 | 37,230 | - | 35,652 | 35,652 | - |
| Debt service | 297,000 | 289,184 | 7,816 | 265,000 | 244,351 | 20,649 |
| Other | 96,562 | 86,708 | 9,854 | 133,327 | 85,526 | 47,801 |
| Emergency fund | 100,000 | - | 100,000 | 100,000 | - | 100,000 |
| Transfers out | 305,000 | 480,371 | (175,371) | 375,000 | 532,532 | (157,532) |
| TOTAL DISBURSEMENTS | 3,676,413 | 3,405,809 | 270,604 | 3,529,977 | 3,356,987 | 172,990 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (527,741) | 11,135 | 538,876 | (475,041) | (129,933) | 345,108 |
| CASH, January 1 | 836,298 | 836,298 | - | 966,231 | 966,231 | - |
| CASH, December 31 | \$ 308,557 | \$ 847,433 | \$ 538,876 | \$ 491,190 | \$ 836,298 | \$ 345,108 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

LACLEDE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| | Year Ended December 31, | | | | | |
|--|-------------------------|------------------|--|------------------|------------------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| SPECIAL ROAD AND BRIDGE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | \$ - | \$ 2,454 | \$ 2,454 | \$ 2,200 | \$ 2,434 | \$ 234 |
| Intergovernmental | 949,974 | 965,567 | 15,593 | 1,560,740 | 1,377,372 | (183,368) |
| Charges for services | 4,322 | 2,451 | (1,871) | - | 2,883 | 2,883 |
| Interest | - | 446 | 446 | 4,000 | 4,077 | 77 |
| Other | 2,000 | 2,782 | 782 | - | 8,337 | 8,337 |
| Transfers in | 305,000 | 305,000 | - | 275,000 | 282,663 | 7,663 |
| TOTAL RECEIPTS | 1,261,296 | 1,278,700 | 17,404 | 1,841,940 | 1,677,766 | (164,174) |
| DISBURSEMENTS | | | | | | |
| Salaries | 482,500 | 475,310 | 7,190 | 527,500 | 504,702 | 22,798 |
| Employee fringe benefits | 57,850 | 64,243 | (6,393) | 62,000 | 57,428 | 4,572 |
| Supplies | 100,000 | 115,956 | (15,956) | 155,329 | 111,066 | 44,263 |
| Insurance | - | 15,752 | (15,752) | 9,500 | 9,232 | 268 |
| Road and bridge materials | 177,700 | 137,923 | 39,777 | 118,605 | 114,696 | 3,909 |
| Equipment repairs | 95,000 | 116,480 | (21,480) | 100,000 | 120,910 | (20,910) |
| Rentals | 2,000 | 30 | 1,970 | 2,000 | 209 | 1,791 |
| Equipment purchases | 194,350 | 123,197 | 71,153 | 202,950 | 148,815 | 54,135 |
| Construction, repair and maintenance | 49,922 | 96,957 | (47,035) | 644,600 | 624,258 | 20,342 |
| Other | 25,500 | 39,654 | (14,154) | 30,500 | 45,857 | (15,357) |
| Transfers out | 60,000 | 54,677 | 5,323 | 68,604 | 55,784 | 12,820 |
| TOTAL DISBURSEMENTS | 1,244,822 | 1,240,179 | 4,643 | 1,921,588 | 1,792,957 | 128,631 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 16,474 | 38,521 | 22,047 | (79,648) | (115,191) | (35,543) |
| CASH, January 1 | 14,240 | 14,240 | - | 129,431 | 129,431 | - |
| CASH, December 31 | \$ 30,714 | \$ 52,761 | \$ 22,047 | \$ 49,783 | \$ 14,240 | \$ (35,543) |
| ASSESSMENT FUND | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | \$ 246,198 | \$ 247,273 | \$ 1,075 | \$ 232,534 | \$ 235,507 | \$ 2,973 |
| Interest | 2,600 | 848 | (1,752) | 2,622 | 2,613 | (9) |
| Other | 6,000 | 5,829 | (171) | 5,228 | 5,936 | 708 |
| TOTAL RECEIPTS | 254,798 | 253,950 | (848) | 240,384 | 244,056 | 3,672 |
| DISBURSEMENTS | | | | | | |
| Assessor | 231,632 | 212,766 | 18,866 | 229,200 | 219,123 | 10,077 |
| Transfers out | 22,000 | 27,677 | (5,677) | 29,432 | 25,525 | 3,907 |
| TOTAL DISBURSEMENTS | 253,632 | 240,443 | 13,189 | 258,632 | 244,648 | 13,984 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 1,166 | 13,507 | 12,341 | (18,248) | (592) | 17,656 |
| CASH, January 1 | 19,002 | 19,002 | - | 19,594 | 19,594 | - |
| CASH, December 31 | \$ 20,168 | \$ 32,509 | \$ 12,341 | \$ 1,346 | \$ 19,002 | \$ 17,656 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

LACLEDE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| Year Ended December 31, | | | | | | |
|-----------------------------|----------|--|------------|-----------|--|------------|
| 2002 | | | 2001 | | | |
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | |
| LAW ENFORCEMENT | | | | | | |
| TRAINING FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ 8,404 | \$ 7,365 | \$ (1,039) | \$ 10,568 | \$ 8,333 | \$ (2,235) |
| Interest | 1,710 | 171 | (1,539) | 2,432 | 1,512 | (920) |
| TOTAL RECEIPTS | 10,114 | 7,536 | (2,578) | 13,000 | 9,845 | (3,155) |
| DISBURSEMENTS | | | | | | |
| Sheriff | 52,618 | 26,015 | 26,603 | 65,367 | 19,708 | 45,659 |
| TOTAL DISBURSEMENTS | 52,618 | 26,015 | 26,603 | 65,367 | 19,708 | 45,659 |
| RECEIPTS (UNDER) | (42,504) | (18,479) | 24,025 | (52,367) | (9,863) | 42,504 |
| CASH, January 1 | 42,504 | 42,504 | - | 52,367 | 52,367 | - |
| CASH, December 31 | \$ - | \$ 24,025 | \$ 24,025 | \$ - | \$ 42,504 | \$ 42,504 |
| PROSECUTING ATTORNEY | | | | | | |
| TRAINING FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ 1,800 | \$ 1,566 | \$ (234) | \$ 2,500 | \$ 1,915 | \$ (585) |
| Interest | 110 | 10 | (100) | 250 | 130 | (120) |
| TOTAL RECEIPTS | 1,910 | 1,576 | (334) | 2,750 | 2,045 | (705) |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 4,000 | 3,498 | 502 | 3,300 | 3,995 | (695) |
| TOTAL DISBURSEMENTS | 4,000 | 3,498 | 502 | 3,300 | 3,995 | (695) |
| RECEIPTS (UNDER) | (2,090) | (1,922) | 168 | (550) | (1,950) | (1,400) |
| CASH, January 1 | 3,121 | 3,121 | - | 5,071 | 5,071 | - |
| CASH, December 31 | \$ 1,031 | \$ 1,199 | \$ 168 | \$ 4,521 | \$ 3,121 | \$ (1,400) |

The accompanying Notes to the Financial Statements are an integral part of this statement.

LACLEDE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| | Year Ended December 31, | | | | | |
|--|-------------------------|----------------|--|------------------|----------------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| PROSECUTING ATTORNEY | | | | | | |
| BAD CHECK FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ 55,000 | \$ 75,630 | \$ 20,630 | \$ 44,000 | \$ 69,072 | \$ 25,072 |
| Interest | 2,500 | 587 | (1,913) | 4,333 | 3,040 | (1,293) |
| TOTAL RECEIPTS | 57,500 | 76,217 | 18,717 | 48,333 | 72,112 | 23,779 |
| DISBURSEMENTS | | | | | | |
| Prosecuting Attorney | 125,998 | 44,775 | 81,223 | 127,732 | 53,579 | 74,153 |
| Transfers out | 32,856 | 32,858 | (2) | 23,704 | 20,282 | 3,422 |
| TOTAL DISBURSEMENTS | 158,854 | 77,633 | 81,221 | 151,436 | 73,861 | 77,575 |
| RECEIPTS (UNDER) | (101,354) | (1,416) | 99,938 | (103,103) | (1,749) | 101,354 |
| CASH, January 1 | 101,354 | 101,354 | - | 103,103 | 103,103 | - |
| CASH, December 31 | \$ - | \$ 99,938 | \$ 99,938 | \$ - | \$ 101,354 | \$ 101,354 |
| ENHANCED 911 FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ 350,000 | \$ 378,812 | \$ 28,812 | \$ 297,800 | \$ 331,320 | \$ 33,520 |
| Interest | 2,000 | 1,102 | (898) | 4,000 | 4,054 | 54 |
| TOTAL RECEIPTS | 352,000 | 379,914 | 27,914 | 301,800 | 335,374 | 33,574 |
| DISBURSEMENTS | | | | | | |
| Salaries | 187,800 | 187,546 | 254 | 182,330 | 182,907 | (577) |
| Employee fringe benefits | 16,040 | 15,792 | 248 | 15,623 | 15,654 | (31) |
| Equipment | 45,429 | 33,393 | 12,036 | 35,666 | 26,060 | 9,606 |
| Insurance | 500 | 702 | (202) | 500 | 277 | 223 |
| Mileage and training | 5,000 | 2,778 | 2,222 | 3,200 | 3,686 | (486) |
| Telephone | 42,700 | 40,897 | 1,803 | 41,200 | 38,858 | 2,342 |
| Transfers out | 28,800 | 29,009 | (209) | 35,480 | 31,389 | 4,091 |
| TOTAL DISBURSEMENTS | 326,269 | 310,117 | 16,152 | 313,999 | 298,831 | 15,168 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 25,731 | 69,797 | 44,066 | (12,199) | 36,543 | 48,742 |
| CASH, January 1 | 137,643 | 137,643 | - | 101,100 | 101,100 | - |
| CASH, December 31 | \$ 163,374 | \$ 207,440 | \$ 44,066 | \$ 88,901 | \$ 137,643 | \$ 48,742 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

LACLEDE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| Year Ended December 31, | | | | | | |
|--|------------------|--|----------------|------------------|--|----------------|
| 2002 | | | 2001 | | | |
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | |
| LAW ENFORCEMENT | | | | | | |
| SALES TAX FUND | | | | | | |
| RECEIPTS | | | | | | |
| Sales taxes | \$ 1,633,410 | \$ 1,651,092 | \$ 17,682 | \$ 1,600,000 | \$ 1,633,410 | \$ 33,410 |
| Interest | 20,000 | 8,817 | (11,183) | 25,000 | 30,218 | 5,218 |
| TOTAL RECEIPTS | 1,653,410 | 1,659,909 | 6,499 | 1,625,000 | 1,663,628 | 38,628 |
| DISBURSEMENTS | | | | | | |
| Salaries | 44,000 | 43,961 | 39 | - | - | - |
| Employee fringe benefits | 3,500 | 3,275 | 225 | - | - | - |
| Facility project | 30,000 | 1,190 | 28,810 | 173,000 | 135,902 | 37,098 |
| Bond payments | 1,358,841 | 1,261,214 | 97,627 | 1,365,000 | 1,280,695 | 84,305 |
| Professional services | 5,000 | 3,072 | 1,928 | 5,000 | 3,591 | 1,409 |
| Utility and upkeep | 142,500 | 197,958 | (55,458) | 150,000 | 126,000 | 24,000 |
| Furniture payments | - | - | - | 50,000 | - | 50,000 |
| Reserve | 500,000 | - | 500,000 | 500,000 | - | 500,000 |
| Transfer out | - | 2,853 | (2,853) | - | - | - |
| TOTAL DISBURSEMENTS | 2,083,841 | 1,513,523 | 570,318 | 2,243,000 | 1,546,188 | 696,812 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (430,431) | 146,386 | 576,817 | (618,000) | 117,440 | 735,440 |
| CASH, January 1 | 911,471 | 911,471 | - | 794,031 | 794,031 | - |
| CASH, December 31 | \$ 481,040 | \$ 1,057,857 | \$ 576,817 | \$ 176,031 | \$ 911,471 | \$ 735,440 |
| RECORDER'S USER FEE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ 16,000 | \$ 18,855 | \$ 2,855 | \$ 15,000 | \$ 16,808 | \$ 1,808 |
| Interest | 700 | 325 | (375) | 2,000 | 1,328 | (672) |
| Other | - | - | - | 6,500 | - | (6,500) |
| TOTAL RECEIPTS | 16,700 | 19,180 | 2,480 | 23,500 | 18,136 | (5,364) |
| DISBURSEMENTS | | | | | | |
| Recorder | 37,536 | 10,194 | 27,342 | 66,500 | 24,474 | 42,026 |
| Transfers out | - | 7,536 | (7,536) | - | - | - |
| TOTAL DISBURSEMENTS | 37,536 | 17,730 | 19,806 | 66,500 | 24,474 | 42,026 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (20,836) | 1,450 | 22,286 | (43,000) | (6,338) | 36,662 |
| CASH, January 1 | 47,093 | 47,093 | - | 53,431 | 53,431 | - |
| CASH, December 31 | \$ 26,257 | \$ 48,543 | \$ 22,286 | \$ 10,431 | \$ 47,093 | \$ 36,662 |

LACLEDE COUNTY, MISSOURI
 COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)
 Year Ended December 31,

| | 2002 | | | 2001 | | |
|--|----------|-----------|--|----------|-----------|--|
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| PROSECUTING ATTORNEY | | | | | | |
| DELINQUENT TAX FUND | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | \$ 900 | \$ 4,301 | \$ 3,401 | \$ 1,500 | \$ 1,881 | \$ 381 |
| Interest | 500 | 134 | (366) | 200 | 829 | 629 |
| TOTAL RECEIPTS | 1,400 | 4,435 | 3,035 | 1,700 | 2,710 | 1,010 |
| DISBURSEMENTS | | | | | | |
| Salaries | - | 1,245 | (1,245) | - | 934 | (934) |
| Other | 23,437 | 94 | 23,343 | 29,587 | 7,626 | 21,961 |
| TOTAL DISBURSEMENTS | 23,437 | 1,339 | 22,098 | 29,587 | 8,560 | 21,027 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (22,037) | 3,096 | 25,133 | (27,887) | (5,850) | 22,037 |
| CASH, January 1 | 22,037 | 22,037 | - | 27,887 | 27,887 | - |
| CASH, December 31 | \$ - | \$ 25,133 | \$ 25,133 | \$ - | \$ 22,037 | \$ 22,037 |
| PROSECUTING ATTORNEY | | | | | | |
| LAW ENFORCEMENT FUND | | | | | | |
| RECEIPTS | | | | | | |
| Interest | \$ - | \$ 5 | \$ 5 | \$ 40 | \$ 28 | \$ (12) |
| TOTAL RECEIPTS | - | 5 | 5 | 40 | 28 | (12) |
| DISBURSEMENTS | | | | | | |
| Other | - | - | - | 933 | - | 933 |
| TOTAL DISBURSEMENTS | - | - | - | 933 | - | 933 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | - | 5 | 5 | (893) | 28 | 921 |
| CASH, January 1 | 921 | 921 | - | 893 | 893 | - |
| CASH, December 31 | \$ 921 | \$ 926 | \$ 5 | \$ - | \$ 921 | \$ 921 |
| MAP RESERVE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Interest | \$ - | \$ - | \$ - | \$ - | \$ 161 | \$ 161 |
| Transfers in | - | - | - | 2,000 | 2,000 | - |
| TOTAL RECEIPTS | - | - | - | 2,000 | 2,161 | 161 |
| DISBURSEMENTS | | | | | | |
| Transfers out | - | - | - | - | 6,489 | (6,489) |
| TOTAL DISBURSEMENTS | - | - | - | - | 6,489 | (6,489) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | - | - | - | 2,000 | (4,328) | (6,328) |
| CASH, January 1 | - | - | - | 4,328 | 4,328 | - |
| CASH, December 31 | \$ - | \$ - | \$ - | \$ 6,328 | \$ - | \$ (6,328) |

The accompanying Notes to the Financial Statements are an integral part of this statement.

LACLEDE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| Year Ended December 31, | | | | | | |
|--|------------|--|------------|------------|--|------------|
| 2002 | | | 2001 | | | |
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | |
| PEACE OFFICERS STANDARD | | | | | | |
| TRAINING FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ 4,415 | \$ 3,247 | \$ (1,168) | \$ 5,000 | \$ 4,414 | \$ (586) |
| Interest | 484 | 77 | (407) | 600 | 483 | (117) |
| TOTAL RECEIPTS | 4,899 | 3,324 | (1,575) | 5,600 | 4,897 | (703) |
| DISBURSEMENTS | | | | | | |
| Training | 17,106 | 6,261 | 10,845 | 23,345 | 10,435 | 12,910 |
| TOTAL DISBURSEMENTS | 17,106 | 6,261 | 10,845 | 23,345 | 10,435 | 12,910 |
| RECEIPTS (UNDER) | (12,207) | (2,937) | 9,270 | (17,745) | (5,538) | 12,207 |
| CASH, January 1 | 12,207 | 12,207 | - | 17,745 | 17,745 | - |
| CASH, December 31 | \$ - | \$ 9,270 | \$ 9,270 | \$ - | \$ 12,207 | \$ 12,207 |
| SHELTER ABUSE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | \$ 24,300 | \$ 16,140 | \$ (8,160) | \$ 22,873 | \$ 24,111 | \$ 1,238 |
| Interest | - | 19 | 19 | 500 | 137 | (363) |
| TOTAL RECEIPTS | 24,300 | 16,159 | (8,141) | 23,373 | 24,248 | 875 |
| DISBURSEMENTS | | | | | | |
| Domestic violence shelter | 24,300 | 18,013 | 6,287 | 29,000 | 24,801 | 4,199 |
| TOTAL DISBURSEMENTS | 24,300 | 18,013 | 6,287 | 29,000 | 24,801 | 4,199 |
| RECEIPTS (UNDER) | - | (1,854) | (1,854) | (5,627) | (553) | 5,074 |
| CASH, January 1 | 6,615 | 6,615 | - | 7,168 | 7,168 | - |
| CASH, December 31 | \$ 6,615 | \$ 4,761 | \$ (1,854) | \$ 1,541 | \$ 6,615 | \$ 5,074 |
| CAPITAL IMPROVEMENT FUND | | | | | | |
| RECEIPTS | | | | | | |
| Interest | \$ 150 | \$ 281 | \$ 131 | \$ 15,000 | \$ 13,066 | \$ (1,934) |
| Other | 45,431 | 47,222 | 1,791 | - | - | - |
| Transfers in | - | - | - | 105,000 | 115,490 | 10,490 |
| TOTAL RECEIPTS | 45,581 | 47,503 | 1,922 | 120,000 | 128,556 | 8,556 |
| DISBURSEMENTS | | | | | | |
| Equipment | 65,000 | 15,344 | 49,656 | - | - | - |
| TOTAL DISBURSEMENTS | 65,000 | 15,344 | 49,656 | - | - | - |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (19,419) | 32,159 | 51,578 | 120,000 | 128,556 | 8,556 |
| CASH, January 1 | 385,306 | 385,306 | - | 256,750 | 256,750 | - |
| CASH, December 31 | \$ 365,887 | \$ 417,465 | \$ 51,578 | \$ 376,750 | \$ 385,306 | \$ 8,556 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

LACLEDE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| Year Ended December 31, | | | | | | |
|--|----------------|--|-----------------|----------------|--|------------------|
| 2002 | | | 2001 | | | |
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | |
| HEALTH INSURANCE FUND | | | | | | |
| RECEIPTS | | | | | | |
| Interest | \$ 100 | \$ 130 | \$ 30 | \$ 5,000 | \$ 1,293 | \$ (3,707) |
| Other | 80,000 | 74,308 | (5,692) | 110,000 | 103,844 | (6,156) |
| Transfers in | 310,000 | 280,441 | (29,559) | 330,276 | 217,221 | (113,055) |
| TOTAL RECEIPTS | 390,100 | 354,879 | (35,221) | 445,276 | 322,358 | (122,918) |
| DISBURSEMENTS | | | | | | |
| Health insurance premiums | 390,000 | 350,099 | 39,901 | 440,276 | 371,561 | 68,715 |
| TOTAL DISBURSEMENTS | 390,000 | 350,099 | 39,901 | 440,276 | 371,561 | 68,715 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 100 | 4,780 | 4,680 | 5,000 | (49,203) | (54,203) |
| CASH, January 1 | 14,459 | 14,459 | - | 63,662 | 63,662 | - |
| CASH, December 31 | \$ 14,559 | \$ 19,239 | \$ 4,680 | \$ 68,662 | \$ 14,459 | \$ (54,203) |
| ELECTION SERVICES FUND | | | | | | |
| RECEIPTS | | | | | | |
| Intergovernmental | \$ 6,500 | \$ 5,539 | \$ (961) | \$ 1,250 | \$ 3,927 | \$ 2,677 |
| Interest | 80 | 44 | (36) | 25 | 109 | 84 |
| TOTAL RECEIPTS | 6,580 | 5,583 | (997) | 1,275 | 4,036 | 2,761 |
| DISBURSEMENTS | | | | | | |
| Election | 5,000 | 1,020 | 3,980 | 2,500 | 1,227 | 1,273 |
| TOTAL DISBURSEMENTS | 5,000 | 1,020 | 3,980 | 2,500 | 1,227 | 1,273 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 1,580 | 4,563 | 2,983 | (1,225) | 2,809 | 4,034 |
| CASH, January 1 | 5,528 | 5,528 | - | 2,719 | 2,719 | - |
| CASH, December 31 | \$ 7,108 | \$ 10,091 | \$ 2,983 | \$ 1,494 | \$ 5,528 | \$ 4,034 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B
LACLEDE COUNTY, MISSOURI
COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| Year Ended December 31, | | | | | | |
|--|-----------------|----------------|--|------------------|------------------|--|
| | 2002 | | | 2001 | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| HEALTH CENTER FUND | | | | | | |
| RECEIPTS | | | | | | |
| Property taxes | \$ 295,000 | \$ 307,177 | \$ 12,177 | \$ 284,000 | \$ 300,776 | \$ 16,776 |
| Intergovernmental | 331,038 | 334,594 | 3,556 | 248,091 | 652,299 | 404,208 |
| Charges for services | 25,000 | 47,402 | 22,402 | 31,000 | 40,690 | 9,690 |
| Interest | 5,000 | 5,281 | 281 | 8,000 | 12,276 | 4,276 |
| Other | 5,500 | 110,739 | 105,239 | 6,000 | 7,273 | 1,273 |
| TOTAL RECEIPTS | 661,538 | 805,193 | 143,655 | 577,091 | 1,013,314 | 436,223 |
| DISBURSEMENTS | | | | | | |
| Salaries | 381,288 | 353,659 | 27,629 | 393,761 | 361,979 | 31,782 |
| Employee fringe benefits | 102,420 | 88,759 | 13,661 | 112,374 | 101,154 | 11,220 |
| Office expenditures | 122,000 | 116,632 | 5,368 | 102,700 | 122,115 | (19,415) |
| Equipment | 2,000 | 2,465 | (465) | 2,000 | 1,382 | 618 |
| Mileage and training | 16,000 | 7,742 | 8,258 | 12,000 | 7,365 | 4,635 |
| Other | 26,300 | 22,233 | 4,067 | 37,395 | 6,573 | 30,822 |
| Building project | 100,651 | 198,504 | (97,853) | 30,000 | 411,297 | (381,297) |
| TOTAL DISBURSEMENTS | 750,659 | 789,994 | (39,335) | 690,230 | 1,011,865 | (321,635) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (89,121) | 15,199 | 104,320 | (113,139) | 1,449 | 114,588 |
| CASH, January 1 | 116,986 | 116,986 | - | 115,537 | 115,537 | - |
| CASH, December 31 | \$ 27,865 | \$ 132,185 | \$ 104,320 | \$ 2,398 | \$ 116,986 | \$ 114,588 |
| DEVELOPMENTALLY DISABLED BOARD FUND | | | | | | |
| RECEIPTS | | | | | | |
| Property tax | \$ 394,922 | \$ 394,931 | \$ 9 | \$ 365,265 | \$ 382,533 | \$ 17,268 |
| Intergovernmental | - | - | - | 17 | 18 | 1 |
| Interest | 84 | 87 | 3 | 150 | 362 | 212 |
| TOTAL RECEIPTS | 395,006 | 395,018 | 12 | 365,432 | 382,913 | 17,481 |
| DISBURSEMENTS | | | | | | |
| Contract services | 378,175 | 378,175 | - | 365,365 | 393,660 | (28,295) |
| Office expenditures | 237 | 226 | 11 | 5,400 | 211 | 5,189 |
| Mileage and training | - | - | - | 500 | - | 500 |
| Legal fees | - | - | - | 1,500 | - | 1,500 |
| Insurance and bonds | 1,000 | 1,000 | - | 1,000 | 950 | 50 |
| TOTAL DISBURSEMENTS | 379,412 | 379,401 | 11 | 373,765 | 394,821 | (21,056) |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | 15,594 | 15,617 | 23 | (8,333) | (11,908) | (3,575) |
| CASH, January 1 | 5,591 | 5,591 | - | 17,499 | 17,499 | - |
| CASH, December 31 | \$ 21,185 | \$ 21,208 | \$ 23 | \$ 9,166 | \$ 5,591 | \$ (3,575) |

The accompanying Notes to the Financial Statements are an integral part of this statement.

LACLEDE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| Year Ended December 31, | | | | | | |
|--|-----------|-----------|--|-----------|-----------|--|
| 2002 | | | 2001 | | | |
| | Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) |
| CIRCUIT CLERK INTEREST FUND | | | | | | |
| RECEIPTS | | | | | | |
| Interest | \$ 9,000 | \$ 1,672 | \$ (7,328) | \$ 7,000 | \$ 7,110 | \$ 110 |
| Other | - | - | - | - | 624 | 624 |
| TOTAL RECEIPTS | 9,000 | 1,672 | (7,328) | 7,000 | 7,734 | 734 |
| DISBURSEMENTS | | | | | | |
| Services | 12,000 | 5,511 | 6,489 | 12,000 | 9,850 | 2,150 |
| TOTAL DISBURSEMENTS | 12,000 | 5,511 | 6,489 | 12,000 | 9,850 | 2,150 |
| RECEIPTS (UNDER) | (3,000) | (3,839) | (839) | (5,000) | (2,116) | 2,884 |
| CASH, January 1 | 4,537 | 4,537 | - | 6,653 | 6,653 | - |
| CASH, December 31 | \$ 1,537 | \$ 698 | \$ (839) | \$ 1,653 | \$ 4,537 | \$ 2,884 |
| LAW LIBRARY FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ 15,000 | \$ 17,610 | \$ 2,610 | \$ 18,000 | \$ 16,530 | \$ (1,470) |
| Interest | 265 | 571 | 306 | 2,000 | 1,883 | (117) |
| TOTAL RECEIPTS | 15,265 | 18,181 | 2,916 | 20,000 | 18,413 | (1,587) |
| DISBURSEMENTS | | | | | | |
| Law library | 89,908 | 7,364 | 82,544 | 81,073 | 4,868 | 76,205 |
| TOTAL DISBURSEMENTS | 89,908 | 7,364 | 82,544 | 81,073 | 4,868 | 76,205 |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | (74,643) | 10,817 | 85,460 | (61,073) | 13,545 | 74,618 |
| CASH, January 1 | 74,643 | 74,643 | - | 61,098 | 61,098 | - |
| CASH, December 31 | \$ - | \$ 85,460 | \$ 85,460 | \$ 25 | \$ 74,643 | \$ 74,618 |
| SHERIFF DISCRETIONARY FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ 43,360 | \$ 56,969 | \$ 13,609 | \$ 37,350 | \$ 43,239 | \$ 5,889 |
| Interest | 640 | 178 | (462) | 650 | 578 | (72) |
| TOTAL RECEIPTS | 44,000 | 57,147 | 13,147 | 38,000 | 43,817 | 5,817 |
| DISBURSEMENTS | | | | | | |
| Sheriff | 69,616 | 53,205 | 16,411 | 64,790 | 44,991 | 19,799 |
| Transfers out | - | 4,257 | (4,257) | - | - | - |
| TOTAL DISBURSEMENTS | 69,616 | 57,462 | 12,154 | 64,790 | 44,991 | 19,799 |
| RECEIPTS (UNDER) | (25,616) | (315) | 25,301 | (26,790) | (1,174) | 25,616 |
| CASH, January 1 | 25,616 | 25,616 | - | 26,790 | 26,790 | - |
| CASH, December 31 | \$ - | \$ 25,301 | \$ 25,301 | \$ - | \$ 25,616 | \$ 25,616 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

LACLEDE COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUNDS (continued)

| Year Ended December 31, | | | | | | |
|--|----------|--|---------|----------|--|----------|
| 2002 | | | 2001 | | | |
| Budget | Actual | Variance Favorable (Unfavorable) | Budget | Actual | Variance Favorable (Unfavorable) | |
| FAMILY ACCESS FUND | | | | | | |
| RECEIPTS | | | | | | |
| Interest | \$ - | \$ 1 | \$ 1 | \$ - | \$ 3 | \$ 3 |
| TOTAL RECEIPTS | - | 1 | 1 | - | 3 | 3 |
| DISBURSEMENTS | | | | | | |
| Other | - | - | - | - | - | - |
| TOTAL DISBURSEMENTS | - | - | - | - | - | - |
| RECEIPTS OVER DISBURSEMENTS | - | 1 | 1 | - | 3 | 3 |
| CASH, January 1 | 111 | 111 | - | 108 | 108 | - |
| CASH, December 31 | \$ 111 | \$ 112 | \$ 1 | \$ 108 | \$ 111 | \$ 3 |
| JUVENILE ASSESSMENT FUND | | | | | | |
| RECEIPTS | | | | | | |
| Charges for services | \$ - | \$ 715 | \$ 715 | \$ - | \$ 1,180 | \$ 1,180 |
| TOTAL RECEIPTS | - | 715 | 715 | - | 1,180 | 1,180 |
| DISBURSEMENTS | | | | | | |
| Other | - | 792 | (792) | - | - | - |
| TOTAL DISBURSEMENTS | - | 792 | (792) | - | - | - |
| RECEIPTS OVER (UNDER) DISBURSEMENTS | - | (77) | (77) | - | 1,180 | 1,180 |
| CASH, January 1 | 2,825 | 2,825 | - | 1,645 | 1,645 | - |
| CASH, December 31 | \$ 2,825 | \$ 2,748 | \$ (77) | \$ 1,645 | \$ 2,825 | \$ 1,180 |

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

LACLEDE COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2002 and 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity and Basis of Presentation

The accompanying special-purpose financial statements present the receipts, disbursements, and changes in cash of various funds of Laclede County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the County. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, or the Health Center Board and the Developmentally Disabled Board. The General Revenue Fund is the County's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America, which require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various County funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the County budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the County did not adopt formal budgets for the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|--------------------------|---------------------------------|
| Family Access Fund | 2002 and 2001 |
| Juvenile Assessment Fund | 2002 and 2001 |

LACLEDE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2002 and 2001

C. Budgets and Budgetary Practices (continued)

Warrants issued were in excess of budgeted amounts for the following funds:

| <u>Fund</u> | <u>Years Ended December 31,</u> |
|-------------------------------------|---------------------------------|
| Prosecuting Attorney Training Fund | 2001 |
| Developmentally Disabled Board Fund | 2001 |
| Health Center Fund | 2002, 2001 |

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the County. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the County's published financial statements for the year ended December 31, 2002 and 2001 did not include the Family Access Fund and Juvenile Assessment Fund.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The County has not adopted such a policy.

In accordance with Statement No. 3 of the Government Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

LACLEDE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2002 and 2001

2. Cash (continued)

The financial statements do not include the cash balances of the Ex Officio County Collector, who collects and distributes property taxes as an agent for various local governments. However, for the purpose of these risk disclosures, the Ex Officio County Collector's cash balances are included since collateral securities to cover amounts not covered by federal depository insurance are pledged to the County rather than to specific county officials.

The County's deposits at December 31, 2002 and 2001, were entirely covered by federal depository insurance or by collateral securities held by the County's custodial bank in the County's name.

The Health Center's deposits at December 31, 2002 and 2001 were entirely covered by federal depository insurance or by collateral securities held by the Health Center's custodial bank in the Health Center's name.

The Developmentally Disabled Board's deposits at December 31, 2002 and 2001 were entirely covered by federal depository insurance.

To protect the safety of County deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure County deposits not insured by the Federal Deposit Insurance Corporation.

3. General Long-Term Debt

In 1999, the County issued \$1,655,000 in Certificates of Participation for the purpose of financing Phase III of the courthouse project. The certificates bear interest at various rates ranging from 4.7% to 5.0% with principal payments due March 1 and interest payments due March 1 and September 1 of each year. The Certificates of Participation outstanding at December 31, 2002, are as follows:

| Year Ended December 31, | Amount Due | | |
|----------------------------|---------------------|------------------|---------------------|
| | Principal | Interest | Total |
| 2003 | \$ 280,000 | \$ 24,255 | \$ 304,255 |
| 2004 | 325,000 | 17,675 | 342,675 |
| 2005 | 395,000 | 9,875 | 404,875 |
| | <u>\$ 1,000,000</u> | <u>\$ 51,805</u> | <u>\$ 1,051,805</u> |

In 2001, the County entered into a cancellable lease purchase agreement to finance the purchase of three (3) Caterpillar road graders at a total cost of \$409,530. The agreement requires annual payments of \$30,590, which include interest at 5.50% until 2004. In 2005, the County will have a final payment of \$367,200, which will include interest at 5.50%.

LACLEDE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2002 and 2001

3. General Long-Term Debt (continued)

In 2001, the County entered into a cancellable lease purchase agreement to finance the purchase of a John Deere road grader at a cost of \$81,800. The agreement requires annual payments of \$23,555 which includes interest at 5.75%.

In 1999, the County entered into a cancellable lease purchase agreement to finance the purchase of a John Deere road grader at a cost of \$99,419. The agreement requires annual payments of \$28,592, which includes interest at 5.90%.

Although the agreements provide for cancellation of the leases if the County should fail to appropriate funds at the annual renewal dates, the County does not foresee exercising its options to cancel. Therefore, these leases are accounted for as noncancellable capital leases in accordance with Statement of Financial Accounting Standards 13, "Accounting for Leases".

The annual requirements to amortize the principal of the leases are as follows:

| Year Ended December 31, | 3 Caterpillar Road Graders Lease | John Deere Road Grader 2001 Lease | John Deere Road Grader 1999 Lease | Total Lease Payments |
|-------------------------------|--|---|---|----------------------------|
| 2003 | \$ 30,590 | \$ 23,555 | \$ 28,592 | \$ 82,737 |
| 2004 | 30,590 | 23,555 | - | 54,145 |
| 2005 | 367,200 | 23,555 | - | 390,755 |
| | <u>428,380</u> | <u>70,665</u> | <u>28,592</u> | <u>527,637</u> |
| Portion representing interest | (59,189) | (7,590) | (1,453) | (68,232) |
| Minimum future lease | <u>\$ 369,191</u> | <u>\$ 63,075</u> | <u>\$ 27,139</u> | <u>\$ 459,405</u> |

In 1995, the County issued \$11,450,000 in leasehold revenue bonds. The bonds bear interest of 3.8% to 5.0%. Interest payments are due semi-annually on March 1 and September 1 of each year. The annual debt service requirements to amortize the principal on the 1995 lease hold revenue bonds outstanding at December 31, 2002 are listed in the table below:

| Year Ended December 31, | Amount Due | | |
|----------------------------|---------------------|-------------------|---------------------|
| | Principal | Interest | Total |
| 2003 | \$ 1,175,000 | \$ 191,006 | \$ 1,366,006 |
| 2004 | 1,225,000 | 134,222 | 1,359,222 |
| 2005 | 1,785,000 | 44,625 | 1,829,625 |
| | <u>\$ 4,185,000</u> | <u>\$ 369,853</u> | <u>\$ 4,554,853</u> |

LACLEDE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2002 and 2001

3. General Long-Term Debt (continued)

In 1999, the County issued \$78,000 in Limited General Obligation Bonds. The bonds bear interest at 6.5% with principal and interest payments due on March 1 of each year. The annual debt service requirements to amortize the principal of the Limited General Obligation Bonds outstanding at December 31, 2002 are listed in the table below:

| Year Ended December 31, | Principal | Interest | Total |
|----------------------------|------------------|------------------|-------------------|
| 2003 | \$ 3,000 | \$ 4,355 | \$ 7,355 |
| 2004 | 3,000 | 4,160 | 7,160 |
| 2005 | 3,000 | 3,965 | 6,965 |
| 2006 | 3,000 | 3,770 | 6,770 |
| 2007 | 4,000 | 3,575 | 7,575 |
| Thereafter | 52,000 | 19,890 | 71,890 |
| | <u>\$ 68,000</u> | <u>\$ 39,715</u> | <u>\$ 107,715</u> |

| | Balance December 31, 2000 | Additions | Retirements | Balance December 31, 2001 |
|---------------------------------------|---------------------------------|-------------------|---------------------|---------------------------------|
| Capital Lease Obligations | | | | |
| 1999 Police Cars Lease | \$ 78,170 | \$ - | \$ 38,169 | \$ 40,001 |
| 1999 Firststar Grader Lease | 74,921 | - | 36,451 | 38,470 |
| 1999 John Deere Grader Lease | 76,693 | - | 24,067 | 52,626 |
| 2001 Three Graders Lease | - | 409,530 | 30,590 | 378,940 |
| 2001 John Deere Grader Lease | - | 81,800 | - | 81,800 |
| 1995 Leasehold Revenue Bonds | 6,370,000 | - | 1,070,000 | 5,300,000 |
| 1997 Limited General Obligation Bonds | 72,000 | - | 2,000 | 70,000 |
| 1999 Certificates of Participation | 1,535,000 | - | 195,000 | 1,340,000 |
| TOTAL | <u>\$ 8,206,784</u> | <u>\$ 491,330</u> | <u>\$ 1,396,277</u> | <u>\$ 7,301,837</u> |

LACLEDE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2002 and 2001

3. General Long-Term Debt (continued)

| | Balance December 31, 2001 | Additions | Retirements | Balance December 31, 2002 |
|---------------------------------------|---------------------------------|-------------|---------------------|---------------------------------|
| Capital Lease Obligations | | | | |
| 1999 Police Cars Lease | \$ 40,001 | \$ - | \$ 40,001 | \$ - |
| 1999 Firststar Grader Lease | 38,470 | - | 38,470 | - |
| 1999 John Deere Grader Lease | 52,626 | - | 25,487 | 27,139 |
| 2001 Three Graders Lease | 378,940 | - | 9,749 | 369,191 |
| 2001 John Deere Grader Lease | 81,800 | - | 18,725 | 63,075 |
| 1995 Leasehold Revenue Bonds | 5,300,000 | - | 1,115,000 | 4,185,000 |
| 1997 Limited General Obligation Bonds | 70,000 | - | 2,000 | 68,000 |
| 1999 Certificates of Participation | 1,340,000 | - | 340,000 | 1,000,000 |
| TOTAL | <u>\$ 7,301,837</u> | <u>\$ -</u> | <u>\$ 1,589,432</u> | <u>\$ 5,712,405</u> |

4. Long-Term Debt - Health Center

In 2000, the Center entered into a cancellable lease purchase agreement to finance the purchase of a building in the amount of \$200,000. The agreement requires monthly payments of \$2,500 which included interest at 6.10%.

Although the agreement provides for cancellation of the lease if the County should fail to appropriate funds at the annual renewal date, the County does not foresee exercising its option to cancel. Therefore, this lease is accounted for as a noncancellable capital lease in accordance with Statement of Financial Accounting Standards 13, "Accounting for Leases".

The annual requirements to amortize the principal of the lease is as follows:

| Year Ended December 31, | |
|-------------------------------|------------------|
| 2003 | \$ 30,000 |
| 2004 | 30,000 |
| 2005 | 6,185 |
| | <u>66,185</u> |
| PORTION REPRESENTING INTEREST | (4,408) |
| MINIMUM FUTURE LEASE PAYMENTS | <u>\$ 61,777</u> |

LACLEDE COUNTY, MISSOURI
NOTES TO FINANCIAL STATEMENTS
December 31, 2002 and 2001

5. Claims and Judgments

The County participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the County may be required to reimburse the grantor government. As of December 31, 2002, significant amounts of grant expenditures have not been audited by grantor governments, but the County believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual government funds or the overall financial position of the County.

Supplementary Schedule

Schedule

LACLEDE COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

| Federal CFDA Number | Federal Grantor/ Pass Through Grantor/ Program Title | Pass-through Entity Identifying Number | Federal Expenditures | |
|---------------------------|---|---|-------------------------|-----------|
| | | | Year Ended December 31, | |
| | | | 2002 | 2001 |
| | U.S. DEPARTMENT OF AGRICULTURE | | | |
| | Department of Health | | | |
| 10.557 | Special Supplemental Nutrition Program for Women, Infants and Children | ERS045-1153 | \$ - | \$ 74,590 |
| | | ERS045-2153 | 66,138 | 24,430 |
| | | ERS045-3153 | 22,005 | - |
| | Office of Administration | | | |
| 10.665 | Schools and Roads - Grants to States | N/A | 11,245 | 2,292 |
| | TOTAL U.S. DEPARTMENT OF AGRICULTURE | | 99,388 | 101,312 |
| | U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | | |
| | Department of Social Services | | | |
| 14.231 | Emergency Shelter Grants Program | Ero 1640430 | 11,406 | 19,349 |
| | TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT | | 11,406 | 19,349 |
| | U.S. DEPARTMENT OF JUSTICE | | | |
| 16.607 | Bullet Proof Vest Partnership Program | N/A | 2,150 | - |
| | Missouri Sheriffs' Association | | | |
| | Domestic Cannabis Eradication/Suppression Program | N/A | 1,047 | - |
| | TOTAL U.S. DEPARTMENT OF JUSTICE | | 3,197 | - |
| | U.S. DEPARTMENT OF TRANSPORTATION | | | |
| | Highway and Transportation Commission | | | |
| 20.205 | Highway Planning and Construction | Bro 053(6) | 1,320 | 511,617 |
| | Department of Public Safety | | | |
| 20.703 | Interagency Hazardous Materials Public Sector Training and Planning Grants | N/A | 3,319 | 3,125 |
| | TOTAL U.S. DEPARTMENT OF TRANSPORTATION | | 4,639 | 514,742 |
| | FEDERAL EMERGENCY MANAGEMENT AGENCY | | | |
| | Department of Public Safety | | | |
| 83.534 | Emergency Management - State and Local Assistance | EMK-2002 | 550 | - |
| | | EMK-2001 | - | 1,600 |
| 83.544 | Public Assistance Grant | 1412-DR-Mo-105-028CD | 84,318 | - |
| | TOTAL FEDERAL EMERGENCY MANAGEMENT AGENCY | | 84,868 | 1,600 |

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Schedule

LACLEDE COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (continued)

| Federal CFDA Number | Federal Grantor/ Pass Through Grantor/ Program Title | Pass-through Entity Identifying Number | Federal Expenditures | |
|---------------------------|--|---|-------------------------|--------------|
| | | | Year Ended December 31, | |
| | | | 2002 | 2001 |
| | U.S. DEPARTMENT OF HEALTH AND HUMAN | | | |
| | Department of Health | | | |
| 93.268 | Immunization Grants | N/A | 28,823 | 52,542 |
| | Department of Social Services | | | |
| 93.563 | Child Support Enforcement | N/A | 1,694 | 1,802 |
| | Department of Health | | | |
| 93.575 | Child Care and Development Block Grant | N/A | - | 1,445 |
| 93.887 | Project grants for renovation or construction of health care | 1C76 HF00134-01 | 39,049 | 412,753 |
| | Department of Health | | | |
| 93.919 | Cooperative Agreements for State-Based Comprehensive | | | |
| | Breast and Cervical Cancer Early Detection Programs | ERS161-10035 | - | 6,708 |
| | | ERS161-20053 | 13,222 | 5,197 |
| | | ERS161-30053 | 7,484 | - |
| 93.994 | Maternal and Child Health Services Block Grant to the | ERS146-1153M | - | 14,432 |
| | | ERS146-2153M | 19,381 | 2,472 |
| | | Immunizations | 282 | 5,665 |
| | | ERS175-1153F | - | 8,262 |
| | | ERS175-2037F | 8,898 | 1,505 |
| | TOTAL U.S. DEPARTMENT OF | | | |
| | HEALTH AND HUMAN SERVICES | | 118,833 | 512,783 |
| | TOTAL EXPENDITURES OF FEDERAL AWARDS | | \$ 322,331 | \$ 1,149,786 |

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

Notes to the Supplementary Schedule

LACLEDE COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Laclede County, Missouri.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals.

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Of the amounts for Immunization Grants (CFDA number 93.268), \$28,823 and \$52,542 represent the original acquisition cost of vaccines purchased by the Centers for Disease Control of the U.S. Department of Health and Human Services but distributed to the Health Center through the state Department of Health during the years ended December 31, 2002 and 2001. Of the remaining amounts for the Immunization Grants and the Maternal and Child Health Services Block Grant to the States represent cash disbursements.

2. Subrecipients

The County provided no federal awards to subrecipients during the years ended December 31, 2002 and 2001.

FEDERAL AWARDS -
SINGLE AUDIT SECTION

Independent Auditors' Report

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO EACH MAJOR
PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Commission
and
Officeholders of Laclede County, Missouri

Compliance

We have audited the compliance of Laclede County, Missouri with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001. The County's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Laclede County, Missouri's compliance with those requirements and performing such other procedures as we consider necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Laclede County, Missouri's compliance with those requirements.

In our opinion, Laclede County, Missouri complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2002 and 2001.

To the County Commission and
Officeholders of Laclede County, Missouri

Internal Control Over Compliance

The management of Laclede County, Missouri is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs.

In planning and performing our audit, we considered Laclede County, Missouri's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and to be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the County commission, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Original Signed by Auditor

DAVIS, LYNN & MOOTS, P.C.
March 12, 2003

Schedule

LACLEDE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (INCLUDING MANAGEMENT'S PLAN FOR
CORRECTIVE ACTION)
Years Ended December 31, 2002 and 2001

Section I - Summary of Auditor's Results

Financial Statements

| | | | |
|---|--------------------|-----------------|---------------|
| Type of auditors' report issued: | <u>Unqualified</u> | | |
| Internal control over financial reporting: | | | |
| Material weaknesses identified? | <u> </u> Yes | <u> </u> x | No |
| Reportable conditions identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> </u> x | None reported |
| Noncompliance material to the financial statements noted? | <u> </u> Yes | <u> </u> x | No |

Federal Awards

| | | | |
|---|--------------------|-----------------|---------------|
| Internal control over major programs: | | | |
| Material weaknesses identified? | <u> </u> Yes | <u> </u> x | No |
| Reportable conditions identified that are not considered to be material weaknesses? | <u> </u> Yes | <u> </u> x | None reported |
| Type of auditor's report issued on compliance for major program(s): | <u>Unqualified</u> | | |
| Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of OMB Circular A-133? | <u> </u> Yes | <u> </u> x | No |

Identification of major program(s):

CFDA or Other

| <u>Identifying Number</u> | <u>Program Title</u> |
|---------------------------|---|
| 10.557 | Special Supplemental Nutrition Program for Women, Infants, and Children |
| 83.544 | Public Assistance Grant |
| 93.887 | Project grants for renovation or construction of Health Care Facilities |
| 20.205 | Highway Planning and Construction |

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

| | | | |
|--|-------------------|-----------------|----|
| Auditee qualified as a low-risk auditee? | <u> </u> Yes | <u> </u> x | No |
|--|-------------------|-----------------|----|

LACLEDE COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (INCLUDING MANAGEMENT'S PLAN FOR
CORRECTIVE ACTION)
Years Ended December 31, 2002 and 2001

Section II - Financial Statement Findings

This section includes no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Section III - Federal Award Findings and Questioned Costs

This section includes no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

LACLEDE COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

The prior audit report issued for the two years ended December 31, 2000, included no audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

LACLEDE COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

Section .315 of OMB Circular A-133 requires the auditee to prepare a Summary Schedule of Prior Audit Findings to report the status of all findings that are relative to federal awards and included in the prior audit report's Schedule of Findings and Questioned Costs. The summary schedule also must include findings reported in the prior audit's Summary Schedule of Prior Audit Findings, except those listed as corrected, no longer valid, or not warranting further action.

Section .500(e) of OMB Circular A-133 requires the auditor to follow up on these prior audit findings; to perform procedures to assess the reasonableness of the Summary Schedule of Prior Audit Findings; and to report, as a current year finding, when the auditor concludes that the schedule materially misrepresents the status of any prior findings.

The prior audit report issued for the two years ended December 31, 2000, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

To the County Commission
and
Officeholders of Laclede County, Missouri

In planning and performing our audit of the special-purpose financial statements of Laclede County, Missouri for the years ended December 31, 2002 and 2001, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the special-purpose financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of some matters to bring to your attention. The following paragraphs summarize our comments and suggestions regarding these matters.

1. Unclaimed Property

The County does not have a policy in place concerning unclaimed property. This policy is necessary to ensure the County is complying with state statutes. This policy should include provisions on how monies are held and when monies are turned over to the state's unclaimed property division.

We Recommend:

The County develop a policy concerning unclaimed property outlining procedures to be followed for each of the offices or departments within the county.

2. Investment Policy

During our audit, we noted that the County does not have a formal written investment policy that details the County's philosophies, policies and goals. The policy would allow the County to maximize the income earned on investments at an acceptable level of risk.

We Recommend:

The County adopt an investment policy which addresses the investment goals, the targeted return for investments, and the amount of risk that is acceptable.

3. Budgetary Statute

The County was not in compliance with Sections 50.525 through 50.745, RSMo for the years ended December 31, 2002 and 2001. Actual expenditures exceeded budgeted expenditures in the Prosecuting Attorney Training Fund, Developmentally Disabled Board Fund, and Health Center Fund. Also, a budget was not adopted for the Family Access Fund and Juvenile Assessment Fund.

We Recommend:

The County amend the budget as necessary to ensure actual expenditures do not exceed budgeted expenditures. State statutes require that budget amendments be adopted throughout the year as additional expenditures in excess of the original budget are authorized by County management. The County should also adopt a budget for all funds.

We will be pleased to discuss these comments in further detail at your convenience, to perform any additional study of these matters or to assist you in implementing the recommendations.

We appreciate this opportunity to serve as Laclede County Missouri's independent auditor and the courtesies and assistance extended to us by the County's employees.

Original Signed by Auditor

DAVIS, LYNN & MOOTS, P.C.
March 12, 2003